GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce Department –Guidelines of various Industrial Policies for providing incentives –Clarification - Orders – Issued.

INDUSTRIES & COMMERCE (P&I) DEPARTMENT

G.O.Ms.No. 59 Dt: 20.07.2023

Read the following:-

1) G.O.Ms No: 328 Industries & Commerce (IP) Department dt: 13/12/2005 i.e Operational Guidelines for IIPP 2005-10
2) G.O.Ms No: 42 Industries & Commerce (IP) Department dt: 05/05/2011 i.e Operational Guidelines for IIPP 2010-15
3) G.O.Ms No: 108 Industries & Commerce (P&I) Department dt: 14/11/2015 i.e Operational Guidelines for IDP 2015-20
4) G.O.Ms No: 10 Industries & Commerce (P&I) Department dt: 25/02/2021 i.e Operational Guidelines for IDP 2020-23
5) G.O.Ms No: 11 Industries & Commerce (P&I) Department dt: 25/02/2021 i.e Operational Guidelines for "YSR JaganannaBaduguVikasam" under IDP 2020-23
6) G.O.Ms No: 41 Industries & Commerce (P&I) Department dt: 04/06/2021 i.e Operational Guidelines for implementation of State support package to M/s. KIA Motors under IDP 2015-20
7) G.O.Ms No: 13 Industries & Commerce (P&I) Department dt: 18/02/2023 i.e Operational Guidelines for implementation of State support package to Associates & Vendors of M/s. KIA Motors under IDP 2015-20
8) Various Special GOs issued to Mega Project units
9) G.O.Rt.No. 102 Industries and Commerce (P&I) Department, dated 01.06.2023
10) Hon'ble Supreme Court Order in Civil Appeal No: 2256-2263 of 2020, dt:22/04/2020.
11) G.O.Ms. No. 56 Industries& Commerce (P&I) Department Dt. 19.07.2023.

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ORDER:

Industrial development plays a crucial role in the economic development of the State as well as employment generation. In order to propel industrial development and generate employment to local people, the Government have been extending different incentives/benefits like Investment Subsidy, Stamp duty reimbursement, Land Conversion charges, Power cost reimbursement, Sales tax reimbursement, Interest subsidy, Power Bill adjustment, any other mode of payment approved by Govt, etc. to the eligible industries under various Industrial Policies viz. IIPP 2005-10, IIPP 2010-15, IDP 2015-20 & IDP 2020-23,

IDP 2023-27 and various Sectorial Policies for setting up of New/ Expansion/ Diversification industrial units in the State.

2. This apart, as part of industrial promotion and to encourage Mega Projects to set-up their bases in the State, Government have issued various Special G.Os as well by extending tailor made benefits to them.

3. Besides the above, the Government may, depending on the needs of a particular sector, extend Incentives beyond the Policy term, with the objective of promoting investment and safeguarding such sectors from decline. Textile and ferro alloy Sectors are two such examples.

4. The fiscal incentives mentioned above are merely a portion of the Government's support. In addition to fiscal incentives, the provision of infrastructure such as land, power & water, investor facilitation, handholding, arranging all requisite clearances online through Single Desk within the set timelines, creating conducive environment by creating necessary logistics to make doing business simple, grievance redressal, and so on are all part of the Government support. It is worth noting that Andhra Pradesh has continuously **rated first in the country** in the DPIIT's Ease of Doing Business ranking.

5. The Government is striving hard to provide support to the enterprises through such incentives and concessions, unanticipated constraints may result in difficulties for timely release of incentive/ concession. Such an eventuality shall not tantamount to any binding legal obligations on the part of Government.

6. This has been reiterated in our sanction letters communicated to concerned unit holders by Member-Convenor of SLC in respect of Large & Mega Industries, Member convenor of DLC/DIPC/DIEPC in respect of MSMEs, mentioning that **"The sanctioned amount will be released as and when the unit's turn comes as per seriatim for disbursement from the funds available".** Further, the investors while submitting the common application for Incentives, give a **declaration that they abide by the change/modifications made by Government of Andhra Pradesh under the relevant Policies and also abide by the decisions of Industries & Commerce Department.**

7. Government after careful examination of the matter and in supersession of the orders issued in the reference 11th read above, hereby issue the following clarification for release of incentives under various Policies read with the operational guidelines issued in the references 1stto 9th read above:

i. Government will allocate the funds for disbursement of incentives under the scheme(s). The incentives will be released to the individual enterprises as and when funds are made available, as per due procedure.

ii. The disbursement shall be made on the Integrated CFMS system based on the Proceedings generated in seriatim, as and when the funds made available in the larger Public Interest. However, in the following circumstances, the incentives will be released on priority basis, subject to availability of funds

a) Natural calamities

b) MSME's
c) Sick units, Certified by the banker and DIPC
d) Women Entrepreneurs 100% share of women entrepreneurs.
e) Projects going for expansion /Diversification -Projects Intend to re-invest with over and above 50% of the cost of original project and 50% capacity enhancement over the original capacity.

iii. In the case of textile industries, the pending sanctioned power cost incentives will be adjusted in future power bills, while incentives other than power cost related to all sectors, can be paid in any mode/form, as per the approval of the Government.

iv. The fiscal Incentives form small part of the overall support extended by the state to the industries. The incentives are meant to complement the efforts of the industries in setting up their units in the state. Thereby the incentives do not carry any interest, as the A.P. Industrial Development Policy doesn't prescribe any time limit for the payment of incentives, though it is a commitment of the State.

8. The Commissioner of Industries, A.P., Mangalagiri shall take necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R. KARIKAL VALAVEN IAS
SPECIAL CHIEF SECRETARY TO GOVERNMENT & CIP

To
The Commissioner of Industries, A.P., Mangalagiri.
The Vice Chairman & Managing Director, APIIC, A.P., Mangalagiri.
The Commissioner of Handlooms & Textiles, Yerrabalam, A.P., Mangalagiri.
The Spl. C.S. to Government, Finance Department.
The Special Chief Secretary to Government, Revenue (CT/LA) Department.
The Special Chief Secretary to Government, Water Resources Department.
The Secretary to Government, Energy, I&I Department.
Copy to:
The P.S. to Spl. C.S. to Hon'ble C.M.
P.S to Chief Secretary to Government, A.P.
The P.S. to Hon'ble Minister (I&C).
The P.S. to Spl. C.S. to Industries & Commerce.
The P.S. to Principal Secretary to Government, Handlooms & Textiles Department.
All General Mangers/ DIO's in the State through CoI, A.P., Mangalagiri.

//Forwarded :: by order//

S. Swarnalatha

SECTION OFFICER